

(Published in the *Wichita Eagle*, August 13, 2014)

ORDINANCE NO. 49-800

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS, TO ISSUE ITS HEALTH CARE FACILITIES REVENUE BONDS (PRESBYTERIAN MANORS, INC.), FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING, IMPROVEMENTS TO EXISTING SENIOR LIVING FACILITIES AND ACQUIRING, REMODELING AND EQUIPPING A CORPORATE OFFICE BUILDING; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Wichita, Kansas (the “Issuer”), is authorized by K.S.A. 12-1740 *et seq.* and K.S.A. 10-116a, all, as amended (the “Act”), to acquire, construct, improve and equip certain facilities (as defined in the Act) for the promotion and advancement of physical and mental health, to enter into leases and lease-purchase agreements with any person, firm or corporation for such facilities, to issue revenue bonds for the purpose of paying the costs of such facilities, and to issue revenue bonds for the purpose of refunding such bonds; and

WHEREAS, pursuant to the Act, the Issuer has issued its Health Care Facilities Revenue Bonds (Presbyterian Manors, Inc.), Series IV-A, 2013, in the original principal amount of \$78,055,000 and its Taxable Health Care Facilities Revenue Bonds (Presbyterian Manors, Inc.), Series IV-B, 2013, in the original principal amount of \$7,000,000 (collectively, the “Series 2013 Bonds”) under a Bond Trust Indenture dated as of July 1, 2013 (the “Original Bond Indenture”, and with all amendments and supplements thereto, the “Bond Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Bond Trustee (the “Bond Trustee”), for the purpose of providing funds to finance and refinance certain retirement and health care facilities (as more particularly described in the Original Bond Indenture, the “Project”); and

WHEREAS, the Project is leased by the Issuer to Presbyterian Manors, Inc., a Kansas not for profit corporation (the “Corporation”) pursuant to a Lease Agreement, dated as of July 1, 2013, between the Issuer, as lessor, and the Corporation, as lessee (the “Original Lease Agreement” and with all amendments and supplements thereto, the “Lease Agreement”), whereby the Corporation agrees to pay Base Rental Payments (as therein defined) sufficient to pay the principal of and premium, if any, and interest on the Bonds, as defined below; and

WHEREAS, the Original Bond Indenture makes provision for the issuance of additional parity bonds from time to time on the terms and conditions provided for therein; and

WHEREAS, the Issuer has found and does find and determine that it is desirable in order to promote, stimulate and develop the general welfare and economic prosperity of the Issuer and the State of Kansas that the Issuer issue the following additional parity bonds (collectively, the Series 2014 Bonds”):

- (a) Health Care Facilities Revenue Bonds (Presbyterian Manors, Inc.) Series IV-A, 2014 in the aggregate principal amount of \$17,400,000;

- (b) Health Care Facilities Revenue Bonds (Presbyterian Manors, Inc.) Series IV-B-1, 2014, Tax Exempt Mandatory Paydown Securities-80 (TEMPS-80SM) in the aggregate principal amount of \$5,550,000;
- (c) Health Care Facilities Revenue Bonds (Presbyterian Manors, Inc.) Series IV-B-2, 2014, Tax Exempt Mandatory Paydown Securities-50 (TEMPS-50SM) in the aggregate principal amount of \$4,600,000; and
- (d) Taxable Health Care Facilities Revenue Bonds (Presbyterian Manors, Inc.), Series IV-C, 2014, Taxable Mandatory Paydown Securities (Taxable MPS) in the aggregate principal amount of \$3,250,000; and

WHEREAS, the proceeds of the Series 2014 Bonds shall be used to (a) finance, refinance and reimburse the costs of additions, improvements and renovations to the retirement and health care facilities of the Corporation located in the City of Wichita (the “Wichita Facility Improvements”), (b) finance, refinance and reimburse the costs of the acquisition, remodeling and equipping of a new corporate headquarters office building located in the City of Wichita (the “Corporate Headquarters Building”), (c) fund interest on the Series 2014 Bonds during the construction of the Wichita Facility Improvements and the improvements to the Corporate Headquarters Building, (d) fund a debt service reserve fund for the Series 2014 Bonds, and (e) pay certain costs related to the issuance of the Series 2014 Bonds; and

WHEREAS, the Series 2014 Bonds and the interest thereon shall not be a general obligation of the Issuer, shall not be payable in any manner by taxation and shall be payable on a parity with the Series 2013 Bonds solely from the trust estate established under the Bond Indenture, including revenues from the lease of the Facilities (as hereinafter defined) to the Corporation; and

WHEREAS, the Issuer further finds and determines that it is necessary and desirable in connection with the issuance of the Series 2014 Bonds to execute and deliver the following documents (collectively, the “Bond Documents”):

- (i) a Supplemental Bond Trust Indenture No. 1, amending and supplementing the Original Bond Indenture, between the Issuer and the Bond Trustee, prescribing the terms and conditions of and the provisions for issuing and securing the Series 2014 Bonds;
- (ii) a Supplemental Lease Agreement No. 1, amending and supplementing the Original Lease Agreement, between the Issuer, as lessor, and the Corporation, as lessee, whereby the Issuer will lease the Wichita Facility Improvements and the Corporate Headquarters Building (collectively, the “2014 Project”) in consideration of payments by the Corporation of Base Rental Payments (as defined in the Bond Indenture) sufficient to pay the principal of and interest on the Series 2014 Bonds and other payments provided for therein;
- (iii) a Bond Purchase Agreement among the Issuer, the Corporation and B.C. Ziegler and Company, Chicago, Illinois, as purchaser of the Series 2014 Bonds;
- (iv) a Tax Compliance Agreement among the Issuer, the Corporation and the Bond Trustee; and
- (v) an Agreement for Payment in Lieu of Taxes (the “Agreement for Payment in Lieu of Taxes”) with the Corporation, under which the Corporation will make certain payments in lieu of

taxes for each year after issuance of the Series 2014 Bonds that the Corporate Headquarters Building is exempt from ad valorem taxation.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AS FOLLOWS:

Section 1. Authority to Cause the 2014 Project to be Constructed and Acquired. The Governing Body of the Issuer hereby declares that the 2014 Project, if in being, would promote the welfare of the City of Wichita, Kansas and the State of Kansas and the Issuer is hereby authorized to cause the 2014 Project to be constructed and acquired all in the manner and as more particularly described in the Bond Indenture and the Lease Agreement.

Section 2. Authorization of and Security for the Series 2014 Bonds. The Issuer is hereby authorized and directed to issue the Series 2014 Bonds, to be designated as set forth above, in the aggregate principal amount of \$30,800,000. The Series 2014 Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Bond Indenture. The Series 2014 Bonds shall be special limited obligations of the Issuer payable solely from the trust estate established under the Bond Indenture, including revenues from the lease of the Project and the 2014 Project (collectively, the "Facilities"). The Series 2014 Bonds shall not be general obligations of the Issuer, nor constitute a pledge of the full faith and credit of the Issuer and shall not be payable in any manner by taxation.

Section 3. Lease of the Facilities. The Issuer shall cause the Facilities, including the 2014 Project, to be leased to the Corporation pursuant to and in accordance with the provisions of the Lease Agreement.

Section 4. Execution of Series 2014 Bonds and Bond Documents. The Mayor of the Issuer is hereby authorized and directed to execute the Series 2014 Bonds and deliver them to the Bond Trustee for authentication on behalf of, and as the act and deed of the Issuer in the manner provided in the Bond Indenture. The Mayor or member of the Issuer's governing body authorized to exercise the powers and duties of the Mayor in the Mayor's absence is further authorized and directed to execute and deliver the Bond Documents on behalf of, and as the act and deed of the Issuer in substantially the forms presented for review prior to final passage of this Ordinance, with such minor corrections or amendments thereto as such signatory may approve, which approval shall be evidenced by his execution thereof, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance and the Bond Documents. The City Clerk or any Deputy City Clerk of the Issuer is hereby authorized and directed to attest the execution of the Series 2014 Bonds, the Bond Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out the intent of this Ordinance under the Issuer's official seal.

Section 5. Pledge of the Facilities and Net Revenues. The Issuer hereby pledges the Facilities and the net revenues generated under the Lease to the payment of the Series 2014 Bonds in accordance with K.S.A. 12-1744. The lien created by such pledge shall be discharged when all of the Bonds (as defined in the Bond Indenture) shall be deemed to have been paid within the meaning of the Bond Indenture.

Section 6. Authority To Correct Errors, Etc. The Mayor or member of the Issuer's governing body authorized to exercise the powers and duties of the Mayor in the Mayor's absence, the City Clerk and any Deputy City Clerk are hereby authorized and directed to make any alterations, changes or

additions in the instruments herein approved, authorized and confirmed which may be necessary to correct errors or omissions therein or to conform the same to the other provisions of said instruments or to the provisions of this Ordinance.

Section 7. Further Authority. The officers, agents and employees of the Issuer are hereby authorized and directed to take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out the provisions of this Ordinance and to carry out and perform the duties of the Issuer with respect to the Series 2014 Bonds and the Bond Documents as necessary to give effect to the transactions contemplated in this Ordinance and in the Bond Documents.

Section 8. Effective Date. This Ordinance shall take effect from and after its final passage by the Governing Body of the Issuer, signature by the Mayor and publication once in the official newspaper of the Issuer.

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PASSED by the Governing Body of the City of Wichita, Kansas, on August 12, 2014.

CITY OF WICHITA, KANSAS

(Seal)

By: _____
Carl Brewer, Mayor

Attest:

By: _____
Karen Sublett, City Clerk

Approved as to form:

By: _____
Sharon L. Dickgrafe
Interim Director of Law and City Attorney